

1 HELANE L. MORRISON (Cal. Bar No. 127752)
 2 MARC J. FAGEL (Cal. Bar No. 154425)
 3 CARY S. ROBNETT (Cal. Bar No. 160585)
 4 TRACY L. DAVIS (Cal. Bar No. 184129)
 5 DavisTL@sec.gov
 6 STEVEN D. BUCHHOLZ (Cal. Bar No. 202638)
 7 BuchholzS@sec.gov

8 Attorneys for Plaintiff
 9 SECURITIES AND EXCHANGE COMMISSION
 10 44 Montgomery Street, Suite 2600
 11 San Francisco, California 94104
 12 Telephone: 415-705-2500
 13 Facsimile: 415-705-2501

14 UNITED STATES DISTRICT COURT
 15 NORTHERN DISTRICT OF CALIFORNIA
 16 SAN FRANCISCO DIVISION

17 SECURITIES AND EXCHANGE COMMISSION,

18 Plaintiff,

19 vs.

20 CHAUNCEY SHEY,

21 Defendant.

Case No. C 07 4605

[PROPOSED] FINAL JUDGMENT AS TO
 DEFENDANT CHAUNCEY SHEY

22 The Securities and Exchange Commission having filed a Complaint and Defendant Chauncey
 23 Shey having entered a general appearance; consented to the Court's jurisdiction over Defendant and
 24 the subject matter of this action; consented to entry of this Final Judgment without admitting or
 25 denying the allegations of the Complaint (except as to jurisdiction); consented to the exercise by a
 26 magistrate judge of civil jurisdiction over this matter; waived findings of fact and conclusions of law;
 27 and waived any right to appeal from this Final Judgment:

28 I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant and Defendant's
 agents, servants, employees, attorneys, and all persons in active concert or participation with them
 who receive actual notice of this Final Judgment by personal service or otherwise are permanently

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 NORTHERN DISTRICT OF CALIFORNIA

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restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$420,226.60, representing losses avoided as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$31,909.96, and a civil

1 penalty in the amount of \$420,226.60 pursuant to Section 21A(a)(1)(A) of the Exchange Act [15
2 U.S.C. § 78u-1(a)(1)(A)]. Defendant shall satisfy this obligation by paying \$872,363.16 within ten
3 (10) business days after entry of this Final Judgment by certified check, bank cashier's check, or
4 United States postal money order payable to the Securities and Exchange Commission. The payment
5 shall be delivered or mailed to the Office of Financial Management, Securities and Exchange
6 Commission, Operations Center, 6432 General Green Way, Mail Stop O-3, Alexandria, Virginia
7 22312, and shall be accompanied by a letter identifying Chauncey Shey as a defendant in this action;
8 setting forth the title and civil action number of this action and the name of this Court; and specifying
9 that payment is made pursuant to this Final Judgment. Defendant shall pay post-judgment interest on
10 any delinquent amounts pursuant to 28 USC § 1961. The Commission shall remit the funds paid
11 pursuant to this paragraph to the United States Treasury.

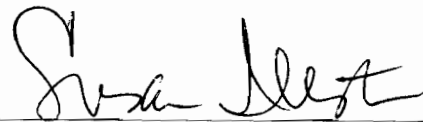
12 IV.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is
14 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall
15 comply with all of the undertakings and agreements set forth therein.

16 V.

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain
18 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

19
20 Dated: 9/12, 2007



UNITED STATES DISTRICT JUDGE